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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 16, 2010

Dave Taylor
Miracle Rock Mining and Research
400 South 200 East
P. O. Box 76
Emery, Utah 84522

Subject: Notice of Expired Mineral Exploration Notice, Miracle Rock Mining and Research, Dry Wash Exploration and Small Mine Projects, E/015/0076 and S/015/0096, Emery County, Utah

Dear Mr. Taylor:

The area of the referenced exploration project has been completely engulfed by the Dry Wash mine, and the Notice of Intention to Conduct Exploration has expired. **Therefore, your exploration notice is no longer valid and is no longer needed.** The Division will now close the file. You may conduct exploration within the permitted mining area without filing an exploration notice, but if you need to explore outside the permitted mine, you must file a new exploration notice.

The Division still holds a cash reclamation surety for the exploration project in the amount of \$2500.00, and the reclamation surety for the Dry Wash mine, \$23,000.00, is now due for escalation. Based on average costs per acre, the amount required for the mine is \$25,000.00 for a three-year escalation (next reviewed in 2013) or \$25,100.00 for a five-year escalation (next reviewed in 2015).

We propose that you use the cash bond from the exploration project to increase the bond for the Dry Wash mine, but you could submit another form of surety, such as a corporate surety, a letter of credit, or a certificate of deposit. **No later than January 10, 2010, please inform the Division whether you would like to apply the exploration bond to the Dry Wash mine or if you will be submitting a new surety.**

Please contact me at 801-538-5261 or Penny Berry at 801-538-5291 if you have questions about this letter, including submittal of the increased reclamation surety. Thank you for your cooperation.

Sincerely,

Paul B. Baker
Minerals Program manager

PBB:whw:eb

Enclosed: Original MRRC for E/015/0076

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